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OFFICE OF THE SECRETARY OF DEFENSE

9-21-71

Memo For

Mr. Braggs

I have prepared the
attached fact sheet on
has for Ed Grassmire.

Perhaps Curtis Cook,

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and I could
take it over to him to
make sure he understands
it and how it relates to
what he got from CIP.

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WHEN WITH ATTACHMENTS

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OSD REVIEW COMPLETED

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Department of Defense
 Military Assistance to Laos
as of June 1971
 FY 1972

	(\$ in Thousands) <u>Program</u>	<u>Budget</u>
Aircraft	12,325	
Ships	35	
Vehicles and Weapons	8,830	
Ammunition	86,266	
Communication Equipment	3,172	
Other Equip. & Supplies	38,554	
Construction	50	
Repair & Rehab. of Equip.	3,933	
Supply Operations	7,150	
Tech. Assist. & Spec. Services	32,950	
Training	4,058	
Op. Support of Special Forces	23,900	
Military Personnel		8,500
Operation and Maintenance		53,400
Procurement		<u>76,600</u>
Total	221,223	138,500

As noted above, the FY 1972 Program of \$221.2 million for Laos exceeds the \$138.5 million in the budget by \$82.7 million. The program is a management tool utilized by OSD and intermediate commanders to establish a constraint on the total resources to be provided to a country as contrasted to the amounts included in a specific year's appropriation request to the Congress. The program figure will exceed the budget figure for each fiscal year because the program level can be partly supported by excess or long supply stocks.

If such stocks are used, they count against the program but not against the budget because they were bought in prior years for U.S. force requirements and are no longer needed for that purpose.

The program, in other words, gives OSD a more precise control because (1) through the program we can examine and approve the item content of our assistance and (2) it establishes a total resource constraint. The budget amounts are the funds needed in the stated fiscal year to procure equipment specifically for the Lao Government and for operation and maintenance support for Lao forces.

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The FY 1972 program for Laos [] for support of Thai irregular forces in Laos. The major portion of their logistic support can be provided from equipment and ammunition that is either in long supply or excess to U.S. military requirements. Since their logistic support is provided through the regular DoD logistic system, isolation of support costs for these special forces is not feasible. However, [] is programmed and budgeted for transfer in [] for pay and allowances of these forces.

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DASD(C)
June 21, 1971

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